



Auditor of Public Accounts
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Edelen Releases Audit of Harlan County Sheriff's Unmined Coal Tax Settlement

FRANKFORT, Ky. – State Auditor Adam Edelen today released the audit of the sheriff's settlement – 2010 unmined coal taxes for Harlan County Sheriff Marvin J. Lipfird. State law requires the auditor to annually audit the accounts of each county sheriff. In compliance with this law, the auditor issues two sheriff's reports each year: one reporting on the audit of the sheriff's tax account and the other reporting on the audit of the fee account used to operate the office.

The audit found that the sheriff's financial statement fairly presents the taxes charged, credited and paid, for the period Sept. 16, 2010, through July 15, 2011, in conformity with the modified cash basis of accounting.

As part of the audit process, the auditor must comment on non-compliance with laws, regulations, contracts and grants. The auditor also must comment on material weaknesses involving the internal control over financial operations and reporting.

The audit contains the following comment:

- **The sheriff should not pay disbursements unless sufficient funds are available.**
While performing the unmined coal tax audit, we noted that the Sheriff overpaid distributions to the county school for March collections, creating a negative balance of \$48,014 in the tax account. As a result, the sheriff incurred \$138 in fees for insufficient funds. We recommend the sheriff collect the \$138 in fees as a reimbursement from the bank or from personal funds. In the future, the sheriff should distribute amounts due properly and not pay disbursements unless there are sufficient funds available.

Sheriff's response: These matters have been corrected.

The sheriff's responsibilities include collecting property taxes, providing law enforcement and performing services for the county fiscal court and courts of justice. The sheriff's office is funded through statutory commissions and fees collected in conjunction with these duties.

This report, in its entirety, can be accessed at the following Internet site: [here](#).

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The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians.

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